

## **REMARKS**

Claims 1-68 are pending in the application. Claims 1-68 have been rejected by the Examiner as lacking novelty and/or being obvious in view of U.S. Patent No. 6,029,144 to Barret et al. and in view of generally known techniques in the Information Technology Field.

Applicants have amended in this Office Action claims 1-2, 8-9, 23-24, 30, 45, 47 and 53, and deleted claims 20, 42 and 61.

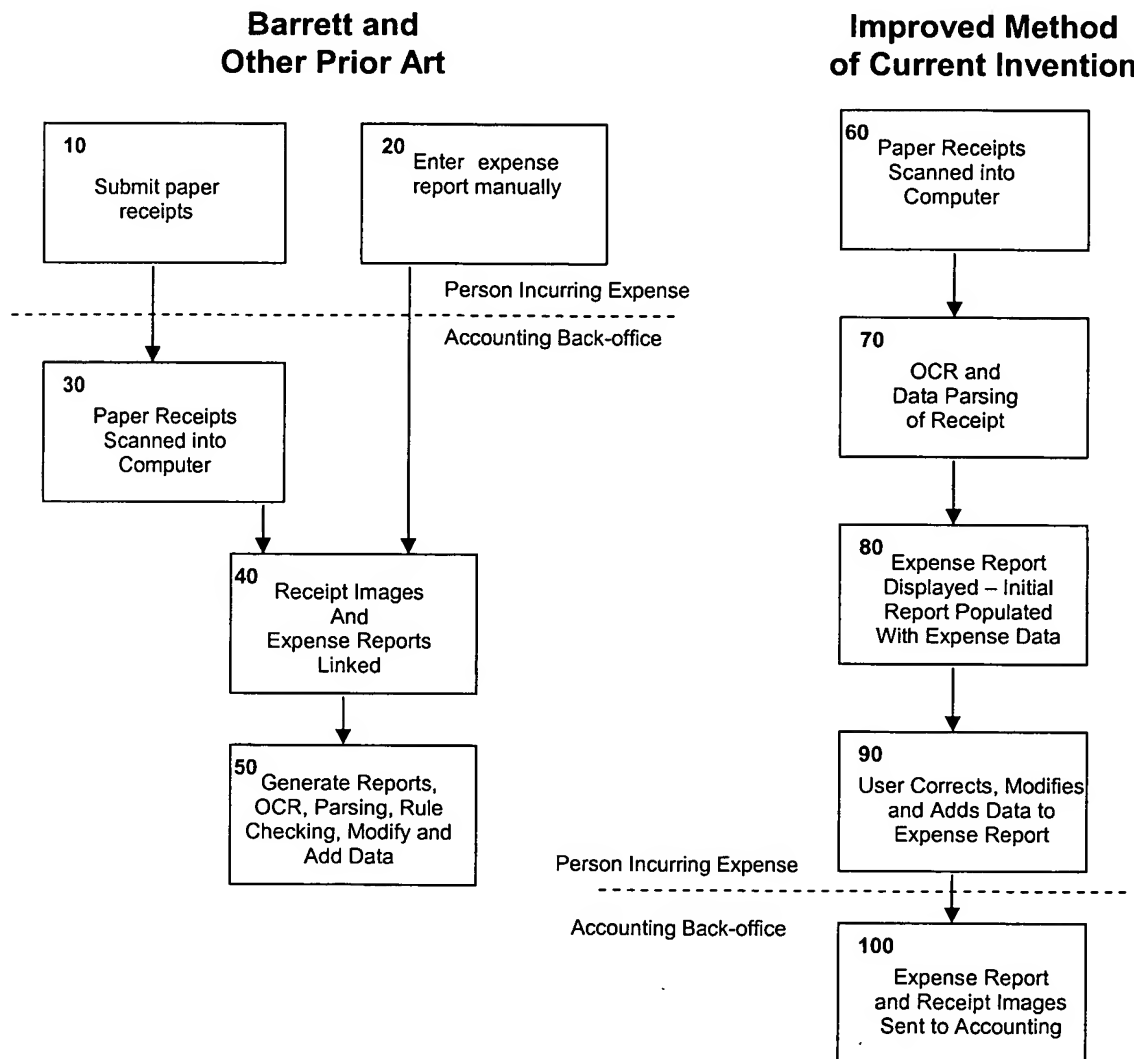
### **1. Amendments to the Claims**

Applicants have amended the claims to clarify that the invention is limited to a method involving an expense report submitted by an individual incurring the expenses. This is an important difference from the references cited by the Examiner or submitted in the Applicants' IDS. Applicants' invention receives a paper receipt from a person incurring an expense, parses the receipt to obtain relevant data, and displays this information to the person filling out the expense report. None of the previously cited references, of which there are many, apply the known techniques of scanning, optical character recognition and data parsing to easing the burden of the individual filling out the expense report, which in both large and small companies is typically the person incurring the expense or his/her administrative assistant. The claims have been amended to limit the claimed invention to this aspect of the disclosure. Support for these amendments can be found on page 3, lines 9-21 of the disclosure.

### **2. 102(b) Rejection over U.S. Patent No. 6,029,144 to Barret**

Claims 1-5, 7-12, 15-17, 20, 21, 23-27, 29-34, 37-39, 42-43, 45-49, 51-58, 61-62 have been rejected by the Examiner over U.S. Patent No. 6,029,144 to Barret et al. Applicants respectfully request the Examiner reconsider this rejection in view of the amendments set forth above.

The Barrett patent is narrowly focused on checking and handling expense data after it has been entered. Applicants' invention assists the end user in initially filling out the expense report. This is illustrated in the figure below which shows a flow chart of the Barrett process versus Applicants' invention.



As can readily be seen, the present invention is much more focused on the user. That is, the invention centers around the individual incurring the expense and who has to enter the expense report. (The term "individual incurring the expense" is meant to encompass either the

actual individual or his/her administrative assistant, in either case, the person who has to fill out the expense report.) Most importantly, it moves many of the advantages of digitization from the accounting back-office forward to the person incurring the expense. This leads to tremendous time savings and earlier correction of problems.

First and foremost, in the present invention the individual incurring the expense does not have to completely fill out the expense report manually. In Barrett, and other prior art systems, as shown in step 10, the individual has to manually fill out an expense report, either a paper expense report or an electronic form on a computer. In either case, all the data from the receipts must be entered manually. (It is known in the prior art that certain charges made on credit cards or through travel agencies, for which the data has been provided electronically, to be entered automatically into an expense report, but this does not solve the problem of paper expense receipts.) Receipts (event receipts for which the data was already provided) must then be forwarded to accounting as shown in step 20. Then the back-office accounting functions, steps 30 through 50, are accomplished. Note that this process does not ease the burden on the individual filling out the expense report.

In the current invention the receipts are scanned in first at step 60. In step 70 the images are converted to text and expense data is extracted. In step 80 the expense data is then presented in an expense report to the person filling out the expense report (or if there are multiple expense reports a choice of expenses may be presented so they can be "dropped" into the appropriate expense report). Thus, most of the work of filling out the expense reports is eliminated.

As an additional benefit, once the expense report is scanned in, the paper receipt may (depending on company policy) be discarded. This saves time and effort for the person filling out the expense report, the accounting department, and administrative staff from a tremendous

burden of dealing with physical paper. In some cases, to prevent fraud and tampering, and to comply with various IRS rules, the receipt images will be encrypted (as set forth in claims 13, 35 and 56).

Also, because the receipts are digitized earlier, errors (such as wrong amounts) can be caught much earlier in the expense reconciliation process. That is at step 90, prior to forwarding the expense report to accounting, as opposed to step 50 in the Barrett patent. The earlier an error is detected, the less burdensome it is to correct.

It is instructive in the two flow charts to look at which processes happen above and below the dotted line representing the transition from person incurring the expense to the accounting back office. In the present invention more happens above the dotted line, yet the burden on the person filling out the expense report is reduced. Thus the method of the current invention is a great improvement and it is certainly not taught or suggested by Barrett, alone or in combination with other references.

Applicants also point out to the examiner that claim 2 has been modified to clarify that all of the input devices are portable. Since these devices may be taken with the traveler, a further improvement is realized. The traveler can scan receipts and discard them, thus saving the burden of carrying receipts until he/she returns to the office. With the use of laptop computers or high end PDAs, the expense report can even be completed while traveling. Since Barrett is focused on back office operations, it does not teach or suggest a portable device for scanning receipts.

The independent claims rejected pursuant to Section 102(b) have been amended and are believed to be allowable for the reasons set forth above. Likewise, the dependent claims rejections pursuant to Section 102(b) are now also believed to be allowable since they now incorporate the additional limitations of the independent claim.

3. **103(a) Rejection over U.S. Patent No. 6,029,144 in view of well known techniques in the IT Field.**

Claims 6, 13-14, 18-19, 22, 28, 35-36, 40-41, 44, 50, 59-60 and 63 currently stand rejected as being obvious over U.S. Patent No. 6,029,144 in view of several well known techniques in the IT field.

Applicants respectfully request that the Examiner reconsider the rejection in view of the claim amendments submitted herewith and the arguments set forth above. It is respectfully submitted that none of the references cited by examiner or submitted by the Applicants teach scanning receipts and extracting data for presentation and manipulation by the individual incurring the expense. As discussed above this adaptation creates a greatly improved method, saving time and cost for both the person filling out the expense report and the accounting back office. More processes are automated, paper receipts may be discarded, and errors are corrected earlier in the process. In a counter-intuitive result, in this improved method and system, more functions are performed while the expense report is still with the person filling in the report (above the dotted line in figure on page 10 of this Response), yet the burden on this individual is reduced.

In view of the many prior art references that do not teach this method, as well as the great benefits, Applicants respectfully assert that the invention is not obvious.

Applicants submit in support of non-obviousness the statement of one of the inventors (Exhibit A), Raphael Spero, as Chief Operating Officer of Digital Business Processes, Inc. ("DBP"), a company commercializing the invention, indicating through sales figures that the invention has met with commercial success in the market place. In view of the large number of

prior art references, and the length of time that digital processing of expenses has been practiced, the commercial success of DBP's product is strong evidence that the invention was not obvious.

With respect to specifically to claim 18-19, 40-41 and 59-60, Applicants respectfully objects to the Examiners reliance on general Official Notice for the technique of displaying the receipt image simultaneously with the expense report. While it is common in the computer realm to have the screens display multiple images, it is the particular choice of display in the current invention that is novel and useful. By simultaneously displaying the receipt image along with expense report, both can be conveniently checked for accuracy and data entry is greatly eased. In addition, simultaneously providing a list of available receipts further assists the traveler in filling out the expense report. It is not displaying multiple views that is at the heart of this aspect of the invention, but displaying just those views that make the work most efficient. Further this aspect of the invention can readily be used to make the expense report approval and audit processes more efficient by presenting on one screen all the information needed to approve or edit an expense report. Applicants do not believe that the general knowledge in IT field teaches or suggests how best to display data for expense report entry.

In view of the above amendments, as well as the arguments set forth herein, Applicants submit that the rejected claims are not obvious and request that the Examiner allow each of the rejected claims.

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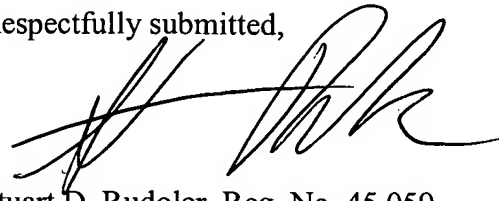
It is respectfully submitted that all remaining claims in the application are allowable. Reconsideration and withdrawal of all rejections are respectfully requested. Favorable notice to this effect and early Notice of Allowance are earnestly solicited.

Should the examiner have any questions and in order to expedite prosecution of this Application, the Examiner is encouraged to contact the undersigned directly.

**Please note the new contact information below for Attorney for the Applicants.** A

*Notice of Change of Correspondence Address* was previously submitted for this application on March 29, 2004 (copy enclosed), however the First Office Action was sent to the old address.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Stuart D. Rudoler', is written over a horizontal line.

Date: February 25, 2005

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## **EXHIBIT A**

Statement of Raphael Spero, Applicant and COO of Digital Business Processes, Inc.



I, Raphael Spero, am the Chief Operating Officer and owner of Digital Business Processes, Inc. (d/b/a Neat Receipts) and am one of the named inventors of the invention disclosed in United States Patent Application 10/690,309 filed on October 21, 2003 (the "Application").

Neat Receipts sells a product that implements the invention disclosed in the Application and claims as amended.

Since sales of the product were begun in November of 2003, total sales of \$850,000 have been made. Neat Receipts is currently selling 1000 units each month. The current retail price for the unit is approximately \$ 200.

The undersigned being hereby warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements and the like may jeopardize the validity of this document, declares that he/she is properly authorized to execute this document; and all statements made of his/her own knowledge are true and that all statements made on information and belief are believed to be true.

In the last 6 months we have entered into retail and internet distribution agreements with the following: Amazon, CDW, TigerDirect, Frys, eCost, Mobile Planet, Independent Stationers, and others.

  
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Raphael Spero, Chief Operating Officer

Date: February 25, 2005